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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Anne M. Cooper
(312) 873-3606
(312) 819-1910
acooper@polsinelli.com

Via FedEx

Michael Constantino
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Annual Progress Report – Transitional Care of Lake County (Proj. No. 16-012)

Dear Mr. Constantino:

This office represents Transitional Care of Lake County, LLC; Innovative Health, LLC; IH Mundelein Owner, LLC; and OnPointe Health Development, LLC (collectively, the "Permit Holders"). As you are aware, on June 21, 2016, the Illinois Health Facilities and Services Review Board (the "State Board") approved the Permit Holders' application to establish a 185-bed general long-term care facility to be located at 850 East U.S. Highway, Mundelein, Illinois (the "Project"). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #16-012.

1. Status of the Project

The Permit Holders are diligently working to obtain a U.S. Housing and Urban Development ("HUD") insured mortgage for the Project. Architectural plans are 80 percent complete and were submitted to HUD on June 28th for approval. Construction will commence once financing is in place and the Illinois Department of Public Health approves the architectural plans.

While its HUD application is pending, the Permit Holders have proceeded with the Project. They received zoning approval from the Village of Mundelein on March 27, 2017. And acquired the land at a cost of \$331,379.73.

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2. **Costs Incurred to Date**

To date, the Permit Holders have expended \$905,005.39 on the Project.

Transitional Care of Lake County (Proj. No. 16-012) Project Costs		
	Approved	Expended
Preplanning Costs	\$310,700	
Site Survey and Soil Investigation	0	\$10,550
New Construction Contracts	\$21,415,000	0
Contingencies	\$402,000	0
A & E Fees	\$1,525,000	\$353,917
Consulting and Other Fees	\$1,560,000	\$540,538
Moveable or Other Equipment	\$1,955,000	0
Net Interest Expenses During Construction	\$970,000	0
Other Costs to be Capitalized	\$1,095,000	0
Estimated Total Project Cost	\$29,232,700	\$905,005

3. **Sources of Funds**

The project will be funded through \$7,030,895 in cash and securities and a \$22,201,805 mortgage.

4. **Anticipated Completion Date**

The anticipated completion date for the Project is June 30, 2019.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me at 312-873-3606 or acooper@polsinelli.com.

Sincerely

Anne M. Cooper